

Municipal Advisory Group Resolution 2006-09

A Resolution supporting amendments to the Governor's Proposed Amendments to the Stranded Gas Development Act.

- A. Whereas, MAG Resolution 2004-05 recommended a stranded gas contract include provisions to ensure that "Payment in Lieu of taxes must fund impacts of gas pipeline construction with phasing appropriate to provide funds for specific service delivery;" and
- B. Whereas MAG Resolution 2004-05 recommended that "Apart from construction or revenue PILTs, the State of Alaska Legislature and Administration should provide financial assistance to impacted communities not receiving a revenue PILT;" and
- C. Whereas, MAG Resolution 2006-01 recommended that legislation clarifying the Stranded Gas Development Act be amended to address the mechanism for distribution of impact payments; and
- D. Whereas, the Governor proposed amendments to the Stranded Gas Development Act in Senate Bill 3002 to address the MAG concerns about impact payments to revenue affected and economic impacted municipalities; and
- E. Whereas the legislation as introduced requires clarifying amendments to on behalf of local municipalities by the State of Alaska prior to project

NOW, THEREFORE, be it resolved by the Municipal Advisory Group that:

1. The Municipal Advisory Group recommends that Section 2 of the proposed legislation be amended to read

Sec. 2. AS 43.82.505 is amended to read:

Sec. 43.82.505. Payments to economically affected municipalities **and communities**. If the commissioner executes a contract under AS 43.82.020 that will produce one or more economically affected municipalities **and communities**, the commissioner shall include a term in the contract that provides for [A PORTION OF THE] periodic impact payments to the state that may be appropriated to the Alaska natural gas pipeline construction impact fund established in (c) of this section to benefit the economically affected municipalities **and communities** under the principles in AS 43.82.520.

2. The Municipal Advisory Group intends that impact payment funds be available both to municipal governments that extraterritorially serve areas of the unorganized borough, and to nonprofit organizations that serve areas of the unorganized borough, and recommends an amendment to the Stranded Gas Development Act to that effect.

3. The Municipal Advisory Group recommends that Section 3 of the proposed legislation be amended in subsection (g) to read:

(g) grant money received under this section may not be used for the retirement of municipal debt unrelated to gas pipeline impact.

Approved by vote of: Cities of Delta Junction, Fairbanks, Kenai, North Pole, Seward, Skagway, Valdez; Fairbanks North Star Borough; Haines Borough; Kenai Peninsula Borough; Municipality of Anchorage; North Slope Borough; Tanana Chiefs Conference.